

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6643

BILL NUMBER: SB 204

NOTE PREPARED: Dec 22, 2011

BILL AMENDED:

SUBJECT: Pre-Kindergarten Grant Program.

FIRST AUTHOR: Sen. Breaux

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Pre-Kindergarten Grant Program within the Bureau of Child Care (BCC) to fund child care and pre-kindergarten for certain low-income families. The bill also establishes the Pre-Kindergarten Grant Fund. This bill makes an annual appropriation.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary:* This bill requires the Bureau of Child Care to establish the Pre-Kindergarten Grant Program and begin making grant payments by August 1, 2013. The bill is expected to increase expenditures from the General Fund to provide program funding.

Actual program expenditures will depend on the number of children who meet program eligibility requirements, including annual gross family income requirements, and who are approved to participate in the program. Actual increases in state expenditures as well as the number of program participants are indeterminable.

Additional Information:

The bill provides that children who meet the following requirements are eligible to participate in the grant program:

- (1) eligible for participation in the Children's Health Insurance Program (CHIP),
- (2) are not eligible for participation in the Child Care and Development Fund (CCDF) voucher program, *and*

(3) attend either a (a) child care center, home, ministry; (b) program for children at least 3 years of age operated by the Department of Education (DOE); or (c) a nonresidential program for a child that provides child care for a child for less than four hours a day (including a preschool); during the year preceding the school year during which the child is expected to enter kindergarten.

It is assumed that grant funding for the program would only be provided to those families who apply (and are approved) to the program on behalf of their children. Program grants are to be administered on a sliding scale based on the recipient's annual gross family income and providing a grant covering from 50% to 100% of the average annual cost of child care in Indiana (as determined by the BCC).

The Family and Social Services Administration (FSSA) only maintains information on the number of CCDF-participating children who attend child care institutions referenced in the bill. The number of children who would be eligible for program participation is currently not known. As a result, total expenditures for the program are unknown.

The FSSA reports the 2011 annual cost of child care in Indiana for child care centers and child care homes to be \$7,000 and \$4,950, respectively, for a 4-year old child.

The bill also establishes the Pre-Kindergarten Grant Fund for the purposes of administering the program. Money in the fund does not revert to the General Fund and consists of appropriations from the General Fund, gifts, and interest from investments deposited in the fund. Money from the General Fund is annually appropriated to the Pre-Kindergarten Grant Fund in amounts sufficient to provide program grants.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BCC.

Local Agencies Affected:

Information Sources: Dawn Hetzel, FSSA.

Fiscal Analyst: Bill Brumbach, 232-9559.